

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

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R 171500Z MAR 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9352

UNCLAS LIMA 2541

EO 11652: N/CTR

TAGS: EGEN, ECON, PE

SUBJECT: MINISTER OF INDUSTRY AND TOURISM COMMENTS ON  
INDUSTRIAL COMMUNITY

REF: LIMA 1888, 75 LIMA 9100, 75 LIMA 4700

1. ON MARCH 13 MINISTER OF INDUSTRY AND TOURISM, GENERAL IBANEZ O'BRIEN SPOKE TO THE NATIONAL EXECUTIVE COMMITTEE OF THE NATIONAL FEDERATION OF INDUSTRIAL COMMUNITIES. DURING THE COURSE OF A LENGTHY SPEECH THE MINISTER MENTIONED THAT THE GOVERNMENT HAS DROPPED THE IDEA OF AMENDING THE EXISTING INDUSTRIAL COMMUNITY LAW (DECREE LAS 18384). HE ALSO STATED THAT THE LABOR COMMUNITY CONCEPT WAS TO BE EXTENDED TO ALL OF PRIVATE SECTOR ACTIVITY. HE APPARENTLY MEANT THAT A LABOR COMMUNITY WOULD BE ESTABLISHED TO COVER THE COMMERCIAL SECTOR, THE ONLY SECTOR LEFT NOT UNDER SOME KIND OF WORKER PARTICIPATION. ALSO THE GOVERNMENT WAS GOING TO ESTABLISH A COMPENSATION SCHEME FOR EXISTING INDUSTRIAL COMMUNITIES. THAT IS, ALL FIRMS WOULD DEPOSIT THEIR PROFIT DISTRIBUTIONS IN A CENTRAL FUND WHICH WOULD THEN BE REDISTRIBUTED TO ALL THE INDUSTRIAL COMMUNITY WORKERS. THIS IS VERY SIMILAR TO THE MINING COMPENSATION SCHEME. IN OTHER WORDS, THE ENTERPRISES WITH PROFITS WOULD BE DISTRIBUTING PART OF THOSE PROFITS

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TO WORKERS IN ENTERPRISES WHICH ARE NOT PROFITABLE. THE

MINISTER ALSO STATED THAT THE GOVERNMENT WAS NOT THINKING OF AMENDING THE RECENTLY PUBLISHED SMALL ENTERPRISE LAW.

2. COMMENT: THERE HAS BEEN QUITE A BIT OF DISCUSSION ABOUT THE POSSIBILITY THAT THE GOVERNMENT WOULD AMEND THE INDUSTRIAL COMMUNITY LAW TO SLOW DOWN THE TRANSFER OF 50 PERCENT OF EQUITY TO THE INDUSTRIAL COMMUNITY. IT NOW APPEARS THAT THE GOVERNMENT WILL NOT DO THIS. THE SCHEME FOR A CENTRAL FUND IS DESIGNED AS A SUBSIDY BY THE MOST EFFICIENT FIRMS TO THE LEAST EFFICIENT FIRMS WHOSE WORKERS WERE NOT RECEIVING ANY PROFIT-SHARING BENEFITS UNDER THE CURRENT SYSTEM. IT ALSO APPEARS THAT THE COMMERCIAL SECTOR WILL SOON HAVE ITS OWN LABOR COMMUNITY LAW SIMILAR TO THE INDUSTRIAL COMMUNITY SCHEME.  
DEAN

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## Message Attributes

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